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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION,

- and -

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

- ☐ Affects PG&E Corporation
☒ Affects Pacific Gas and Electric
Company
☐ Affects both Debtors

** All papers shall be filed in the Lead
Case, No. 19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)
Chapter 11 (Lead Case) (Jointly Administered)

**DECLARATION OF STEVEN FRANK IN SUPPORT
OF DEBTORS' OMNIBUS MOTION PURSUANT TO
11 U.S.C. §§ 105(a) AND 363(b) AND FED. R. BANKR.
P. 9019 FOR AN ORDER (I) APPROVING DE
MINIMIS SETTLEMENTS WITH CONSUMERS TO
RESOLVE CPUC PROCEEDINGS AND
(II) GRANTING RELATED RELIEF**

Date: June 24, 2020
Time: 10:00 am (Pacific Time)
Place: (Telephonic or Video Only)
United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102
Judge: Hon. Dennis Montali

1 I, Steven Frank, pursuant to section 1746 of title 28 of the United States Code, hereby
2 declare under penalty of perjury that the following is true and correct to the best of my knowledge,
3 information, and belief:

4 I am Managing Counsel, Regulatory, in the law department of Pacific Gas and Electric
5 Company (the “**Utility**”). The Utility is a wholly-owned subsidiary of PG&E Corporation (“**PG&E**
6 **Corp.**” and, together with the Utility, the “**Debtors**”). In 1998, I joined the Utility’s law department
7 and have held various roles with increased responsibilities. Prior to joining the Utility, I was an attorney
8 with Pillsbury, Madison & Sutro LLP, practicing in San Francisco. I graduated from the Columbia
9 University School of Law with a Juris Doctorate in 1989 and Stanford University with Bachelor of
10 Science degrees in 1986.

11 I am authorized to submit this Declaration (the “**Declaration**”) on behalf of the Debtors
12 in support of the *Debtors’ Omnibus Motion Pursuant to 11 U.S.C. §§ 105(a) and 363(b) and Fed. R.*
13 *Bankr. P. 9019 for an Order (I) Approving De Minimis Settlements with Consumers to Resolve CPUC*
14 *Proceedings and (II) Granting Related Relief* (the “**Motion**”), filed contemporaneously herewith.¹ The
15 facts set forth in this Declaration are based upon my personal knowledge, my review of relevant
16 documents, or information provided to me by other members of my team working under my supervision
17 and direction. If called upon to testify, I would testify competently to the facts set forth in this
18 Declaration.

19 As set forth in the Motion, the De Minimis Claims Settlement Procedures Order
20 previously approved by the Court granted the Debtors authority to, among other things, settle claims and
21 causes of action of less than \$1,000,000 with no further notice to third parties or action by the Court;
22 however, those procedures specifically excluded claims arising out of California Public Utilities
23 Commission (the “**CPUC**”) proceedings thus necessitating the relief sought in the Motion.

24 As a regulated utility, individual ratepayers and other consumers have the opportunity to
25 file with the CPUC complaints against the Utility arising out of or relating to billing, service, and other
26 matters. Over the past several months, the Utility has reached various settlements with parties to resolve

27 _____
28 ¹ Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such terms
in the Motion.

1 certain claims and causes of actions arising out of, or relating to, proceedings pending before the CPUC,
2 which has resulted in four (4) De Minimis CPUC Settlement Agreements.

3 The provisions of the De Minimis CPUC Settlement Agreements are summarized in
4 **Exhibit A** attached to the Motion.² The De Minimis CPUC Settlements resolve various disputes with
5 certain of the Utility's customers (the "**Claimants**") and will result in certain de minimis claims being
6 allowed as general unsecured claims in these Chapter 11 Cases and/or the Utility agreeing to take certain
7 modest remedial actions. Specifically, pursuant to the De Minimis CPUC Settlements (i) the Utility has
8 agreed to allow approximately \$18,000.00, in total aggregate amount, of general unsecured claims to be
9 paid under, and in accordance with, the Plan, (ii) the Utility has agreed to perform a limited scope of
10 work at a mobile home park to be completed by December 2020, and (iii) the Utility has agreed to bear
11 certain costs associated with the relocation of a regulator adjacent to a Claimant's property, which is
12 expected to be completed by August 2020.³ Pursuant to the De Minimis CPUC Settlements, any amounts
13 to be paid out to the Claimants on account of prepetition claims will be treated as allowed general
14 unsecured claims pursuant to the Plan. Each of the De Minimis CPUC Settlement Agreements also
15 provides for a mutual release of claims by the parties thereto.

16 The De Minimis CPUC Settlement Agreements fully resolve the disputed claims and
17 causes of action between the Utility and the parties thereto, and provide certainty that would not
18 otherwise be available if the related proceedings were to continue. The De Minimis Settlement
19 Agreements are the product of months of extensive good faith, arms'-length negotiations between the
20 Utility and the Claimants. Either myself or an attorney under my supervision actively participated in the
21 negotiations with the Claimants and have determined it would be more cost-efficient to resolve these
22 complaints consensually than to engage in further discussions or mediations. In addition, the terms of
23 the various De Minimis CPUC Settlement Agreements provide for the payment by the Debtors of

24
25 ² As stated in the Motion, certain of the De Minimis CPUC Settlement Agreements contain
26 confidentiality provisions. Accordingly, upon request, the Debtors will make the De Minimis CPUC
27 Settlement Agreements available to the Committees and the U.S. Trustee on a professional's eyes only
28 basis.

³ The Utility currently estimates the total cost of performing the work at the mobile home park and
relocating the regulator in connection with the above-referenced De Minimis CPUC Settlement
Agreements to be less than \$500,000.

1 relatively de minimis amounts in the context of these Chapter 11 Cases.

2 I believe that entry into the De Minimis CPUC Settlement Agreements represent a sound
3 exercise of the Utility's business judgment. The De Minimis CPUC Settlement Agreements fully resolve
4 certain *de minimis* claims and causes of action arising out of or relating to various proceedings pending
5 before the CPUC for relatively de minimis amounts, eliminate the costs and uncertainties associated with
6 further litigation on the part of the Claimants, and avoid the risks of continued proceedings before the
7 CPUC. For the above reasons, I believe that the De Minimis CPUC Settlement Agreements are fair and
8 reasonable and in the best interests of the Utility, its estate, creditors, and other stakeholders should be
9 approved.

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Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury, that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: June 3, 2020
Orinda, California

/s/Steven Frank
Steven Frank